

3 February 2023

Dear Unit Holders,

TA Asia Absolute Alpha Fund (“Fund”)

- Issuance of Replacement Prospectus in relation to the Fund (“Replacement Prospectus”)

Thank you for investing with us.

Please be informed that we will be issuing a Replacement Prospectus which will be registered with the Securities Commission Malaysia.

The following changes shall apply on the date of issue of the Replacement Prospectus which will be not less than 14 days from this letter date:

Chapter	Prospectus	Amendments to the Replacement Prospectus
Responsibility Statements and Statements of Disclaimer: Additional Statements	NA	THE FUND MAY DECLARE DISTRIBUTION OUT OF CAPITAL AND THE CAPITAL OF THE FUND MAY BE ERODED. THE DISTRIBUTION IS ACHIEVED BY FORGOING THE POTENTIAL FOR FUTURE CAPITAL GROWTH AND THIS CYCLE MAY CONTINUE UNTIL ALL CAPITAL IS DEPLETED.
Chapter 1: Distribution Policy	The Fund intends to distribute income, if any, on a quarterly basis.	<p>Distribution (if any), may be declared in our absolute discretion on a quarterly basis. The distribution may be made from (1) realised income, (2) realised gains, (3) unrealised income, (4) unrealised gains, (5) capital or (6) a combination of any of the above to provide a consistent level of distribution to Unit Holders.</p> <p>In order for the Manager to generate the distributable income, all or parts of the fees and expenses incurred by the Fund may be charged to the capital of the Fund.</p> <p>The effects of distributing income out of capital would include but are not limited to the following:</p>

		<ul style="list-style-type: none"> • the value of the investments in the Fund may be reduced; and • the capital of the Fund may be eroded. <p>The distribution is achieved by forgoing the potential for future capital growth. As a result, the value of future returns would be diminished and there would be an impact on the future growth potential of the Fund as the available assets to grow in the future is the net of the expenses charged to the Fund.</p> <p>Please note that if distribution is made, such distribution is not a forecast, indication or projection of the future performance of the Fund. The Manager has the right to make provisions for reserves in respect of distribution of the Fund. If the distribution available is too small or insignificant, any distribution may not be of benefit to the Unit Holders as the total cost to be incurred in any such distribution may be higher than the amount for distribution. The Manager has the discretion to decide on the amount to be distributed to the Unit Holders. The Manager also has the discretion to make distribution on an ad-hoc basis, taking into consideration the performance of the Fund.</p>
Chapter 1: Investment Restrictions and Limits	<p>Subject to the Guidelines, the Fund will be managed in accordance with the following list of investment restrictions and limits:</p> <ul style="list-style-type: none"> (a) The value of the Fund's investments in unlisted securities must not exceed 10% of the Fund's NAV. (b) The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV. (c) The value of the Fund's investments in transferable securities and money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV. (d) The value of the Fund's placement in deposits with any single institution must not exceed 20% of the Fund's NAV. (e) For investments in derivatives, the exposure to the underlying assets must not exceed the investment spread limits stipulated in the 	<p>Subject to the Guidelines, the Fund will be managed in accordance with the following list of investment restrictions and limits:</p> <ul style="list-style-type: none"> (a) The aggregate value of the Fund's investments in: <ul style="list-style-type: none"> (i) transferable securities that are not traded or dealt in or under the rules of an Eligible Market; (ii) collective investment schemes that do not comply with paragraph (g); and (iii) other securities, must not exceed 15% of the Fund's NAV, subject to a maximum limit of 10% of the Fund's NAV in a single issuer or single collective investment scheme, as the case may be. (b) The value of the Fund's investments in ordinary shares issued by any single issuer must not exceed 10% of the Fund's NAV.

	<p>Guidelines and the value of the Fund's over-the-counter (OTC) derivative transaction with any single counter-party must not exceed 10% of the Fund's NAV.</p> <p>(f) The aggregate value of the Fund's investments in transferable securities, money market instruments, deposits and over-the-counter ("OTC") derivatives issued by or placed with, as the case may be, any single issuer/institution must not exceed 25% of the Fund's NAV.</p> <p>(g) The value of the Fund's investments in units/shares of any collective investment scheme must not exceed 20% of the Fund's NAV.</p> <p>(h) The value of the Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV.</p> <p>(i) The Fund's investments in transferable securities (other than debentures) must not exceed 10% of the securities issued by any single issuer.</p> <p>(j) The Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to money market instruments that do not have a pre-determined issue size.</p> <p>(k) The Fund's investments in collective investment schemes must not exceed 25% of the units/shares in any one collective investment scheme.</p> <p>The above stated restrictions and limits shall be complied with at all times based on the most up-to-date value of the Fund's investments. However, a 5% allowance in excess of any restriction or limit may be permitted where the restriction or limit is breached through the appreciation or depreciation in the NAV of the Fund (as a result of an appreciation or depreciation in value of the Fund's investments or as a result of the redemption of Units or payment made out of the Fund). Once the relevant restriction or limit is breached, no further acquisitions of the particular investment involved shall be made and we will within a reasonable period of not more than three (3) months from the date of the</p>	<p>(c) The value of the Fund's investments in transferable securities and money market instruments issued by any single issuer must not exceed 15% of the Fund's NAV ("single issuer limit"). In determining the single issuer limit, the value of the Fund's investments in instruments in paragraph (a) issued by the same issuer must be included in the calculation.</p> <p>(d) The value of the Fund's placement in deposits with any single financial institution must not exceed 20% of the Fund's NAV.</p> <p>(e) The Fund's exposure from derivatives positions should not exceed the Fund's NAV. Further, the maximum exposure of the Fund to the counterparty, calculated based on the method prescribed in the Guidelines, must not exceed 10% of the Fund's NAV.</p> <p>(f) The aggregate value of the Fund's investments in, or exposure to, a single issuer through:</p> <ul style="list-style-type: none"> (i) transferable securities; (ii) money market instruments; (iii) deposits; (iv) underlying assets of derivatives; and (v) counterparty exposure arising from the use of OTC derivatives, <p>must not exceed 25% of the Fund's NAV ("single issuer aggregate limit"). In determining the single issuer aggregate limit, the value of the Fund's investments in instruments in paragraph (a) issued by the same issuer must be included in the calculation.</p> <p>(g) The value of the Fund's investments in units or shares of a collective investment scheme must not exceed 20% of the Fund's NAV, provided that the collective investment scheme complies with the following categories:</p> <ul style="list-style-type: none"> (i) the collective investment scheme is authorised or recognised by the SC; or (ii) the collective investment scheme meets the following criteria: <ol style="list-style-type: none"> 1. The collective investment scheme is constituted and regulated in a jurisdiction where the laws and
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	<p>breach, take all necessary steps and actions to rectify the breach.</p> <p>There are no restrictions and limits imposed on securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.</p>	<p>practices provide the level of investor protection that is at least equivalent to that offered in Malaysia;</p> <ol style="list-style-type: none"> 2. The rules on investments, borrowing and lending are substantially similar to the requirements in the Guidelines. This would exclude hedge funds; 3. The assets of the collective investment scheme are managed by an entity which is approved, authorised or licensed by a securities regulator to conduct fund management activities; and 4. The business of the collective investment scheme is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period; or <p>(iii) the collective investment scheme meets the following criteria (excluding collective investment scheme that invests in real estate):</p> <ol style="list-style-type: none"> 1. The collective investment scheme invests in permissible investments prescribed under the Guidelines, physically-backed metal exchange-traded funds that comply with the Guidelines, or real estate; 2. The collective investment scheme meets the criteria imposed on transferable securities as prescribed under the Guidelines; 3. The units or shares in the collective investment scheme are listed for quotation and traded on a stock exchange that is an Eligible Market; and 4. The collective investment scheme is not an inverse or leveraged product. <p>(h) The value of the Fund's investments in units or shares of a collective investment scheme that invests in real estate pursuant to paragraph</p>
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		<p>g(iii) must not exceed 15% of the Fund's NAV.</p> <p>(i) The value of the Fund's investments in transferable securities and money market instruments issued by any group of companies must not exceed 20% of the Fund's NAV ("group limit"). In determining the group limit, the value of the Fund's investments in instruments in paragraph (a) issued by the issuers within the same group of companies must be included in the calculation.</p> <p>(j) The single issuer limit may be raised to 35% of the Fund's NAV if the issuing entity is, or the issue is guaranteed by, either a foreign government, foreign government agency, foreign central bank or supranational, that has a minimum long-term credit rating of investment grade (including gradation and subcategories) by an international rating agency.</p> <p>(k) Where the single issuer limit is increased to 35% of the Fund's NAV, the single issuer aggregate limit may be raised, subject to the group limit not exceeding 35% of the Fund's NAV.</p> <p>(l) The single financial institution limit in paragraph (d) does not apply to placements of deposits arising from:</p> <ul style="list-style-type: none"> (i) subscription monies received prior to the commencement of investment by the Fund; (ii) liquidation of investments prior to the termination or maturity of the Fund, where the placement of deposits with various financial institutions would not be in the best interests of Unit Holders; or (iii) monies held for the settlement of redemption or other payment obligations, where the placement of deposits with various financial institutions would not be in the best interest of Unit Holders. <p>(m) The Fund's investments in shares or securities equivalent to shares must not exceed 10% of the shares or securities equivalent to shares, as</p>
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		<p>the case may be, issued by a single issuer.</p> <p>(n) The Fund's investments in debt securities must not exceed 20% of the debt securities issued by a single issuer. This limit may be disregarded at the time of acquisition if at that time of acquisition the gross amount of debt securities in issue cannot be determined.</p> <p>(o) The Fund's investments in money market instruments must not exceed 10% of the instruments issued by any single issuer. This limit does not apply to money market instruments that do not have a pre-determined issue size.</p> <p>(p) The Fund's investments in collective investment schemes must not exceed 25% of the units or shares in the collective investment scheme.</p> <p>The above stated restrictions and limits shall be complied with at all times based on the most up-to-date value of the Fund's investments. The Manager shall notify the SC, within seven (7) Business Days, of any breach of investment limits and restrictions stated above with the steps taken to rectify and prevent such breach from recurring. However, any breach as a result of any-</p> <p>(a) appreciation or depreciation in value of the Fund's investments;</p> <p>(b) repurchase (redemption) of Units or payment made out of the Fund;</p> <p>(c) change in capital of a corporation in which the Fund has invested in; or</p> <p>(d) downgrade in or cessation of a credit rating,</p> <p>need not be reported to the SC but shall be rectified as soon as practicable within three (3) months from the date of the breach unless otherwise specified in the Guidelines. The three (3)-month period may be extended if it is in the best interest of Unit Holders and Trustee's consent is obtained. Such extension shall be subject to at least a monthly review by the Trustee.</p> <p>There are no restrictions and limits imposed on securities or instruments issued or guaranteed by the Malaysian government or Bank Negara Malaysia.</p>
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Chapter 1: Specific Risks associated to the Fund	NA	<p><u>Distribution Out of Capital Risk</u></p> <p>Distribution may be paid out of capital when the realised gains or realised income of the Fund is insufficient to pay a distribution. Unit Holders should note that the payment of distribution out of capital represents a return or withdrawal of part of the amount from any capital gains attributable to the original investment. Such distribution may result in an immediate decrease in the NAV per Unit of the Class and the capital that the Fund which is available for investment in the future. As a result, capital growth may be reduced and a high distribution yield from distribution out of capital does not imply a positive or high return on Unit Holders' total investments.</p>
Chapter 2: Other Expenses	<p>These include the following:</p> <ul style="list-style-type: none"> • audit fees; • commission or fees paid to brokers or dealers; • foreign custodian fees and charges; • tax adviser's fee; • taxes and other duties imposed by the government and/or other authorities; • valuation fees incurred for the valuation of any investment of the Fund by independent valuers for the benefit of the Fund; • independent investment committee members' fee; • costs for modification of the Deed save where such modification is for our benefit and/or the Trustee; • costs of convening meetings of Unit Holders save where such meeting is convened for our benefit and/or the Trustee; • bank charges; • costs and fees for the printing and posting of annual and interim reports; • lodgment fee for Fund's reports; • any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred by the Fund; and • any other expenses allowed under the Deed. 	<p>These include the following:</p> <ul style="list-style-type: none"> • audit fees; • commission or fees paid to brokers or dealers; • foreign custodian fees and charges; • tax adviser's fee; • taxes and other duties imposed by the government and/or other authorities; • valuation fees incurred for the valuation of any investment of the Fund; • remuneration and out of pocket expenses of the person(s) or members of a committee undertaking the oversight function of the Fund, unless the Manager decide otherwise; • costs for modification of the Deed save where such modification is for our benefit and/or the Trustee; • costs of convening meetings of Unit Holders save where such meeting is convened for our benefit and/or the Trustee; • bank charges; • costs and fees for the printing and posting of annual and semi-annual reports; • lodgment fee for Fund's reports; • any tax now or hereafter imposed by law or required to be paid in connection with any costs, fees and expenses incurred by the Fund;

		<ul style="list-style-type: none"> • fees in relation to fund accounting; • costs, fees and expenses incurred for the subscription, renewal and/or licensing of the benchmark index; and • any other expenses allowed under the Deed.
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The above list of other expenses of the Fund are not exhaustive, and the trustee may exercise its discretion in determining whether or not to allow an expense (or the quantum of the expense) to be charged to the Fund. The expenses are directly related to the operation and administration of the Fund. Please note on the following:

1. fees in relation to fund accounting - This fee has not been charged to the Fund before as we do not currently outsource the function to any external party. We intend to impose the market rate of the fund accounting fee to the Fund in the event if we decided to outsource the function. Currently, to our best knowledge, the market rate of the fund accounting fee quoted by the service provider is up to 0.03%p.a. with a minimum fee.
2. costs, fees and expenses incurred for the subscription, renewal and/or licensing of the benchmark index - We intend to impose the benchmark fee of up to 0.07%p.a. of the NAV to the Fund in the event if the Fund changes the benchmark and the index sponsor imposed a licensing fee to the Fund.

The Replacement Prospectus will be made available on our website at www.tainvest.com.my on the date of issue of the Replacement Prospectus.

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